

The Cavalier Daily Funding Proposal

Summer 2014

Introduction

The Cavalier Daily requests \$15,000 from The Cavalier Daily Alumni Association to support its expenses for the summer and beginning of fall. Sharply declining ad revenue, particularly from national advertisers, and institutional issues have resulted in a significant accumulation of debt, which we are unable to pay off in addition to paying for our operating costs. We remain confident in the future of the paper; the hiring of the ads manager will help increase advertising revenue, and we have successfully transitioned to a modern, digital-first news product. The Cavalier Daily's role as the premier source of news and a platform for student voice is still unquestioned. However, we need financial help to pay off our printing debt and other expenses in order to harness the full potential of the reforms we have made in recent years.

Document Breakdown:

- Proposed amount and breakdown
- Debt, sales, and costs by the numbers
- Debt sales and costs: An analysis
- Contributing factors to current debt
- Potential short-term options
- Potential long-term options
- Possible consequences

Proposed amount:

We request funding in the amount of **\$15,000.00**.

Cavalier Daily Current Assets:

Bank of America: \$13,661

UVa Fund: \$5,340

Total: \$19,001

Uncollected Bills/Ongoing collections from Spring 2014: \$19,909. We expect to collect approximately 85% for a total of **\$16,900** in collections from Spring 2014.

Total Working Revenue for Summer 2014 (assuming 85% collection rate): \$35,923

The Cavalier Daily will has following expenses due from May to August of 2014:

- Remaining debt to Culpeper Printing: \$20,461
- Libel insurance bill for 6 mo.: \$3,100
- Worker's Comp insurance: \$1,605
- Website for 6 mo.: \$2,550
- Payroll for Advertising Staff: \$6,269 (includes Ads Manager Base pay)
- Remainder of Distribution Boxes from Distribution Box Campaign: \$2,865
- **Total Expenses Due: \$36,850**

Expenses	Payment
Libel insurance: \$3,100 + Worker's Comp insurance: \$1,605 + Website: \$2,550 = \$7,255	Cavalier Daily Bank Assets: \$19,001 <ul style="list-style-type: none"> • \$19,001 - \$7,255 = <ul style="list-style-type: none"> ◦ \$11,746 in remaining bank assets
Ad Manager Base Pay: \$3,880 + Ad Staff Commission: \$2,389 + remainder of Distribution Box Bill: \$2,865 = \$9,134	<ul style="list-style-type: none"> • \$11,746 - \$9,134 = <ul style="list-style-type: none"> ◦ \$3,520 in remaining bank assets
Debt to Culpeper Printing: \$20,461	<ul style="list-style-type: none"> • Collections income: we expect to collect approx. 85% of the currently unpaid \$19,909 bills from 2014: Approximately \$16,900 over the course of the summer • \$15,000 immediate funds from CDAA Proposed Funds • $(\\$16,900 + \\$15,000) - \\$20,461 = \mathbf{\\$11,439}$ in remaining assets

With the CDAA's approval of this proposal, we expect to be left with approximately \$11,439 in bank assets at the beginning of the fall school year. **This amount will prevent The Cavalier Daily from re-entering into further debt by preparing us to make the necessary printing, rent, and other payments when production resumes with the school year.** The CD has not paid Newcomb Hall for rent since July 2013, and this managing board has not been able to pay rent in spring 2014 due to the focus on paying off the printing debt by the summer. We will negotiate and commence a rent debt payment plan in the beginning of fall. In addition, once we have a steady source of income from ad sales, we will pay the remainder of our website (\$2,550) and insurance bills (\$3,100), due in October.

Debt by the numbers:

- **Current Total Bank Assets:** \$19,001

- **Current Total Debt:** \$51,608.11

- Culpeper Printing: \$20,461

- Newcomb Hall Rent: \$31,147.11

- **Overdue printing bills going in to Spring 2014:** \$27,161

- Total Spring 2014 printing bills: \$40,017

- Printing bills paid to date: \$46,717

- Left to pay: \$20,461

- **Overdue rent bills going in to Spring 2014:** \$18,697

- Rent bills through May 2014: \$12,450

- Total rent currently owed: \$31,147.11

- **Total debt going into Spring 2014:** \$45,858

Sales and collections by the numbers:

- Spring 2014 Total Sales: \$49,546.02

- National: \$7,671.95 (15.5%)
- Local: \$41,874.07 (84.5%)
 - May 12 Graduation Issue Sales: \$5,090

- Spring 2014 Total Collections: \$29,636.15

- National: \$1,593.58
 - Uncollected (overdue or open): \$6,078.37
- Local: \$28,042.57
 - Uncollected (overdue or open): 13,831.50
- Overdue: \$11,344.87
 - Nationals: \$6,078.37
 - Unpaid from "Re:Fuel," a major national ad agency: \$5,833.91
 - Local: \$5,266.50
- Still open (not yet overdue): \$8,565
 - 100% local advertisers

Ads Manager Spring 2014 Sales/Collections: From Spring 2014 sales totals, the following was sold/collected by the ads manager.

- Total Sales: \$28,304
- Total Collections (of overdue sales): \$11,107.25

Digital vs. Print Sales Spring 2014*: 19% Digital / 81% Print

Digital vs. Print Sales Spring 2013: 9% Digital / 91% Print

*It should be noted that the website "pays for itself" through online ads

Costs by the numbers:

- Total Spring 2014 expenses: \$81,211.50

General Expense Description (annual):

- **Printing:** \$2,852 average per week; \$40,017/semester; \$85,560 full term
- **Rent:** \$2,482.17/per month; \$29,786.04/year
- **Insurance (libel, worker's comp, etc.):** \$9,000
- **Legal, accounting, admin:** \$3,650
- **Office expenses (xerox, staff events, phone):** \$3,089
- **Misc. (Fines, ISP):** \$1,750
- **Payroll:** \$15,000
- **Website:** \$5,100/year

Debt, Sales, and Costs: An Analysis:

Debt:

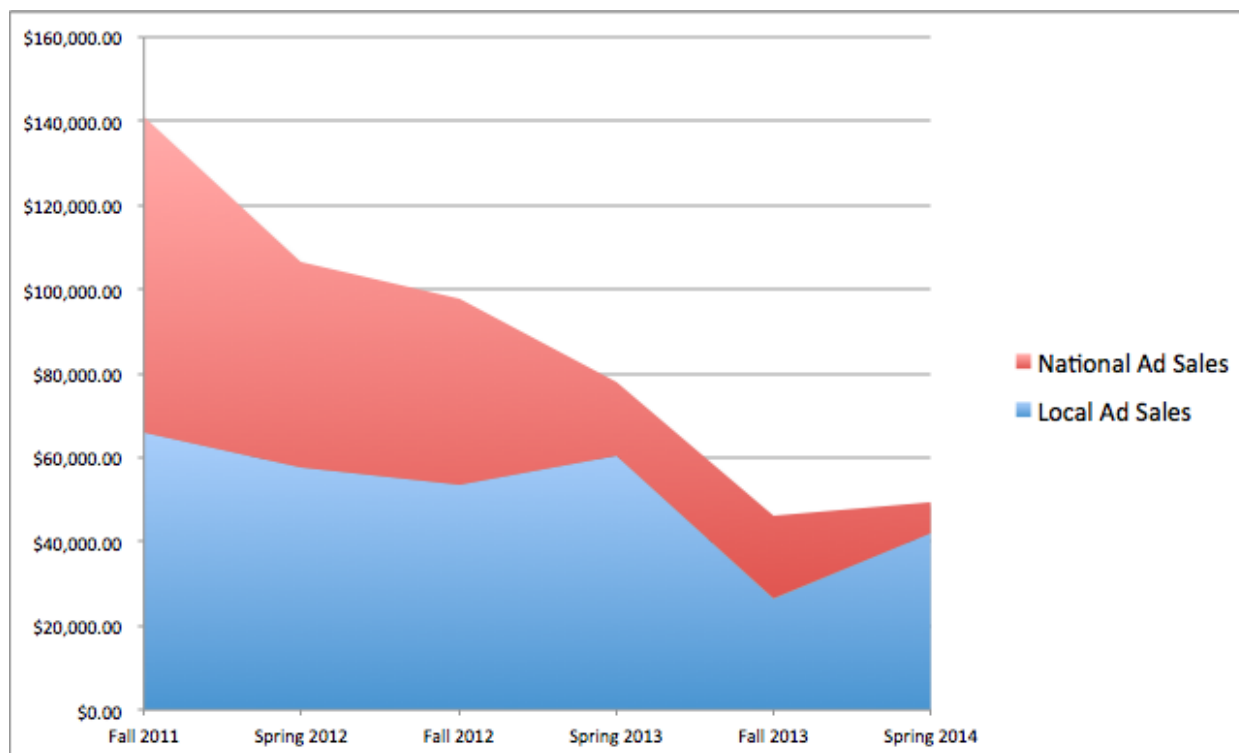
- We entered the Spring 2014 semester with \$45,858 total in debt from printing and rent.
 - The printer demanded we leave the semester debt-free, forcing us to pay off the printing debt in much larger quantities and much more quickly than we anticipated.
 - As a result, we could not begin paying off the rent debt in order to meet the timeline given to us by the printer.
 - Most of the CDAA funding, should it vote to grant it, will go toward paying off this printing debt.
- Our goal is to pay off printing debt and begin paying rent debt beginning in the fall under a re-negotiated contract.

Sales: National ads have sharply decreased, but local ads have sharply increased between fall 2013 and spring 2014.

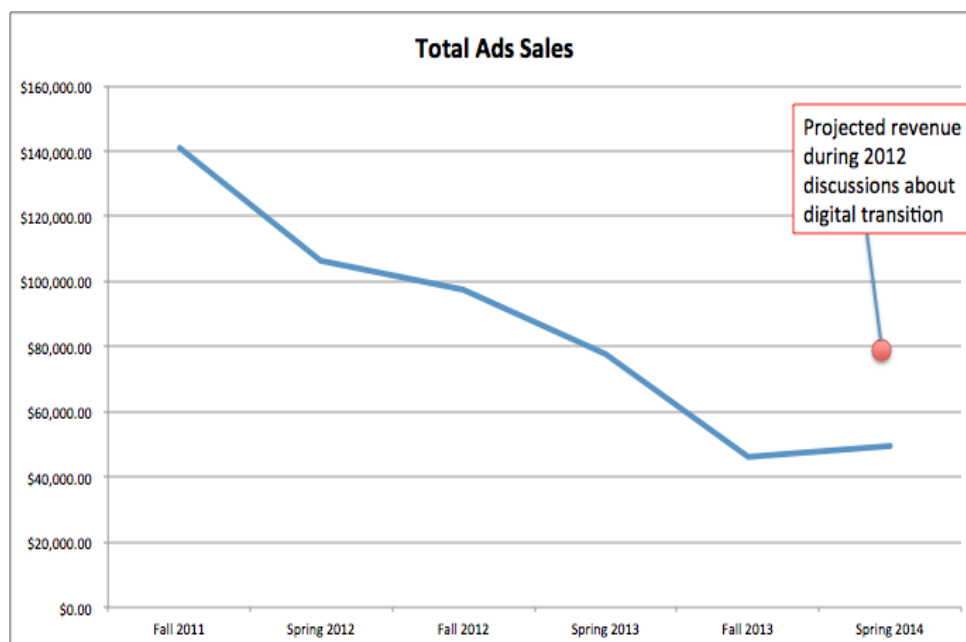
- We highlighted the May 12th graduation issue for two reasons:
 - First, we sold \$5,090 in ads for it, which demonstrates that it is still possible to raise a good amount on a single issue. This amount would cover the cost of printing for the whole week. We have numerous special issues during the course of the semester, and each has the potential to attract more advertisers than usual. The ad staff focused a more concerted effort toward selling specifically for the graduation issue, which shows us that just a little more urgency and assertiveness can go a long way.
 - Second, the grad issue earned most of its money from local advertisers, which indicates that we may be able to rely more heavily on local advertisers than we have done in the past.
- We have firmly left the learning curve portion of our term, and with a better understanding of the Charlottesville market, The Cavalier Daily's finances, and how to best work with and motivate student ad staffers, we expect higher sales in the fall.

Ad Sales, Fall 2011 to Spring 2014

Semester	Fall 2011	Spring 2012	Fall 2012	Spring 2013	Fall 2013	Spring 2014
Total Sales	\$141,005.79	\$106,465.72	\$97,563.21	\$77,944.55	\$46,165.35	\$49,546.02
National	\$74,941.75	\$48,936.15	\$44,187.57	\$17,454.37	\$19,594.51	\$7,671.95
Local	\$66,064.04	\$57,529.57	\$53,375.64	\$60,490.18	\$26,570.84	\$41,874.07

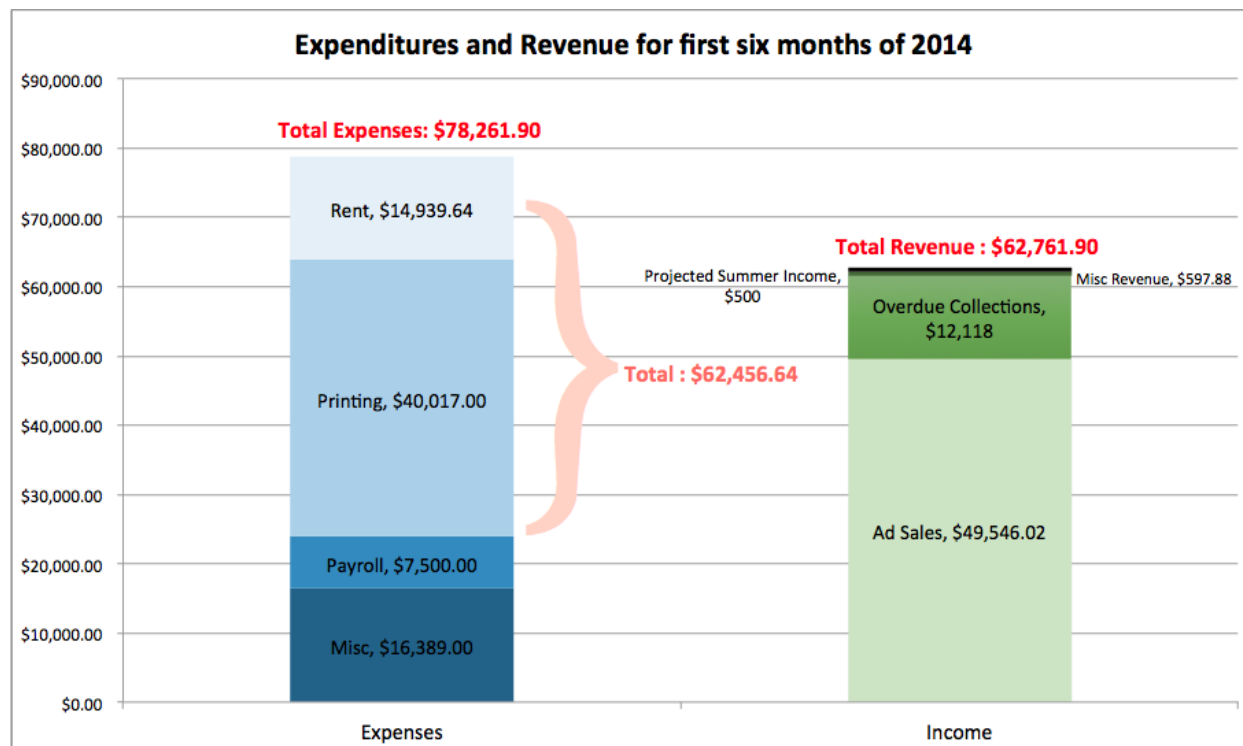


- This graph depicts our overall sales each semester since fall 2011. Sales have decreased each semester in that time — except for this most recent semester — and that decline has largely been driven by a decline in National Advertising sales. Sales have fallen by an average of 17% each semester, but National sales have declined by an average of 31%.
- Local sales, though they have declined, have done so much less dramatically — *and they increased sharply this semester*. Ultimately, where in fall 2011 local sales comprised 47% of total sales, in spring 2014 they comprised 84.5% of total sales. We remain confident our ads manager will help us raise advertising revenue as she did this semester, and that her presence will be particularly important in gaining local advertisers, *but we have still not been able to overcome the dramatic loss in National revenue*.



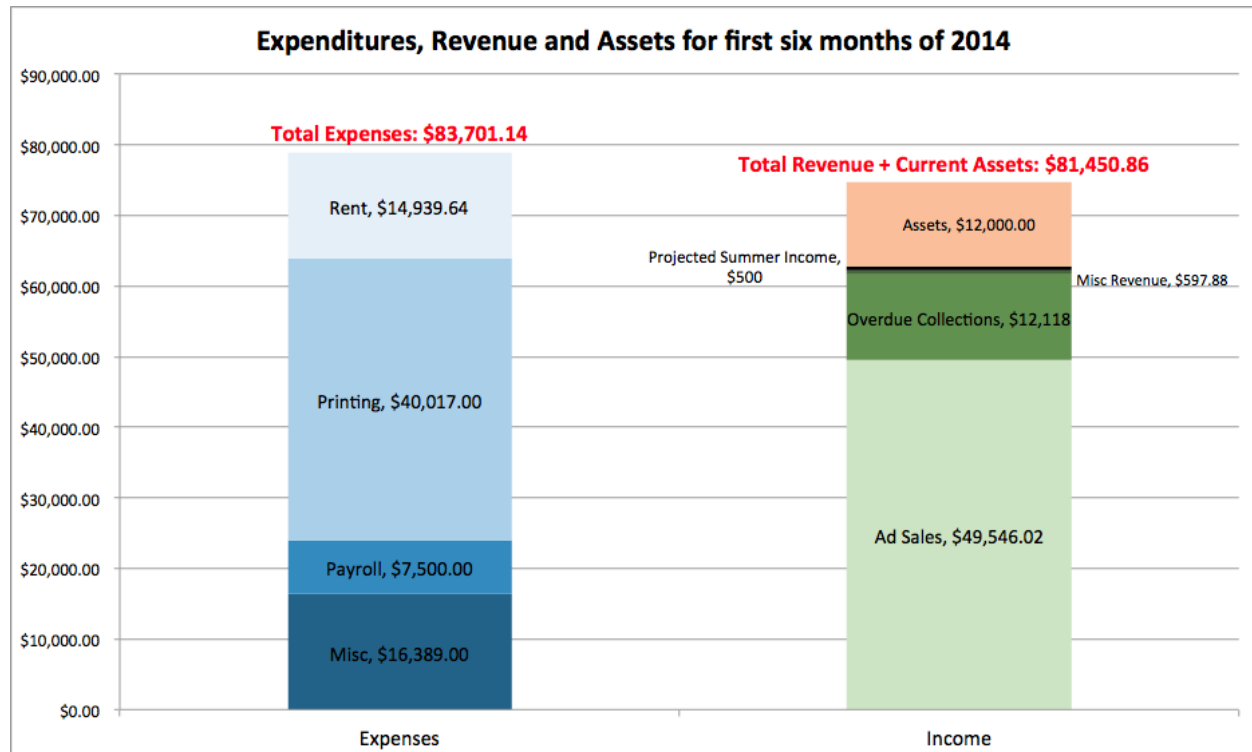
This chart shows the decline in revenue per semester since fall 2011, and highlights how far short of old projections we are falling. During the 2012 discussions that led to our 2x-week printing schedule, the managing board projected a 2014 revenue of \$158k — a total we failed to reach in 2013 (~\$124,000 in

sales) and which we are not on track to meet in 2014, even with increasing revenue since hiring the ads manager.



This graph outlines our ability to pay our *new* bills.

- “Expenses” **excludes** all debt The Cavalier Daily had *prior* to spring 2014 (\$45,858).
- “Income” includes all spring 2014 advertising sales, collections efforts from previous semesters’ sales, half or our projected summer online-only advertisements, and revenue from various non-advertising sources (graduation shout-outs, donations, etc.)
- Our total income for the first six months of 2014 is \$62,761.90
 - **This pays for our first six month’s costs for printing, payroll, and rent**
- “Income” falls short in paying for our “miscellaneous” bills. Most of these are year-long bills which we aim to pay for 6 month’s worth with spring 2014 revenues. These charges include :
 - Website (\$2,500/6 months)
 - Insurance (\$4,500/6 months)
 - Accountant (\$1,500/6 months)
- **We still come up short in fully meeting the semester’s cost, but we *are* close. It’s not where we hoped to be, but this is a gap that we think we can close with some of the proposed solutions below.**



This chart includes the information from the above graph but also the **assets with which we entered the term**. Essentially, if we had started spring 2014 with zero debts, but still had our \$12,000 in assets, we would have fallen short of our total costs for the first six months, but only by \$2,000 — assuming a 100% collection rate. We would have been able to essentially pay for the semester's worth of rent, had we not had to direct our assets and overdue collections to paying off older debt.

Contributing factors to current crisis:

Despite the previous managing board's best efforts to turn around the negative financial situation, MB 125 entered the term with \$45,858.00 in total debt: \$27,161 in printing and \$18,697 in rent. We have identified several possible factors as the causes of the debt accumulation:

- **Economic downturn and print advertising decline:** Finances at The Cavalier Daily have been a pressing issue for the last decade as the economic recession and general decline of print advertising have crippled our primary revenue sources. National advertising in particular has seen a sharp decline.
- **Drainage of CD bank accounts for debt payments:** This situation is not new; The Cavalier Daily has been in serious debt before. What is different, however, is that The CD had a comfortable sum of money in the bank that had been saved from more profitable times. In 2012, we had approx. \$96,000 in total assets vs. \$19,000 currently. These assets were used to quickly pay off large amounts of debt in recent years. We have arrived at a similar situation, but this time, we do not have accumulated funds in our accounts, and have been forced to operate "from paycheck to paycheck."

- **Loss of institutional knowledge and stability:** Cavalier Daily staffers are full-time students and have additional commitments to other University activities. They often lack communication, accountability, and the professional training that is expected of them by advertisers and clients.
 - The advertising staff has suffered from the annual management turnover and subsequent loss of institutional memory from term to term, which has made it almost impossible to develop trust and relationships with advertisers. As a result, several local advertisers have expressed a general negative view of the The Cavalier Daily.
 - Resolving this issue is a work in progress, but we have already made progress by hiring a professional ads manager with the help of the CDAA who provides the accountability, training, professionalism, and continuity needed to support the revenue-generating side of The Cavalier Daily.
 - The CFO and ads manager are working on compiling a standardized method of entering and classifying sales and collections for consistency in bookkeeping from now into the future. We have had some difficulty calculating real revenue and sales trends because of errors or discrepancies in accounting over time. The professional ads manager will also bring consistency to our business side in this regard.
 - We are considering the possibility of conducting our staff elections before Winter Break or earlier in January in order to allow for a longer period of “shadowing” and learning the ropes, especially for managing board positions.
- **New management at Culpeper Printing:** We have a history of very sympathetic creditors — as evidenced by many months of backlogged bills to both Newcomb and Culpeper. New management at the Culpeper printing facility, however, has demanded that we pay off our debt by the beginning of summer. This new concern, we were told, was partly because Culpeper had difficulty reaching us last summer about unpaid bills. Though we have met with the printer in person twice this semester, and assured them that both the ad manager and the managing board will be able to respond to any concerns which arise during the summer, they are still putting increased pressure on us to leave the semester debt free.
 - This means that in addition to paying this semester's printing bills (a total of \$40,017), we were also forced to pay large installments toward last semester's debt (to cover the \$27,161 in printer debt we came in with). In short, we had to pay off more debt more quickly than we had anticipated.
 - Though they understand collections take time — particularly for the very successful graduation issue we just published — they are insistent our debts do not run across the summer. This means this semester's revenue must cover 100% of this semester's bills and the entirety of last semester's debt — a task we are struggling to fulfill.
- **Switch to bi-weekly print edition:** In the lead up to our transition to a digital-first newsroom with a bi-weekly print product, our advertising staff met with several clients to ask what the potential impact of this shift would be on their tendency to advertise with us. The advertising representatives at the time assured us that clients almost never advertise more than twice a week, and the impact — provided we keep our 10,000 issue circulation — would be negligible. This may be the case, but the correlation is certainly nevertheless striking:
 - In 2012, during which we produced 4 times a week, we pulled in roughly \$100,000 each semester (slightly less in the fall than in the spring).
 - In spring 2013, during which we still produced 4 times a week, this revenue declined to \$78,000.
 - When we transitioned in the fall of 2013 to twice-weekly, our revenue went down to \$46,000 — and in the spring of 2014, again with twice-weekly print production, we're looking at around \$50,000.
 - Our CFO had a meeting this month with the manager of HotCakes in Barracks Road Shopping Center, who said the decline in print frequency has been perceived negatively by some local

business owners, in part because it was seen as decreasing our standing among the University's faculty and staff. The General Manager at the Daily Tar Heel also recently [called into question](#) the logic of reducing print publication, as he cautioned it will lead to a natural decline in advertising revenue.

- Based on our analysis of our own advertisers, there does seem to be a decline in the frequency with which local vendors are advertising with our paper. This spring, 11 vendors advertised 5x or more — compared to 14 vendors last spring.
- In total, our top 10 biggest advertisers bought a total of \$14,255.83 in ads this semester, compared to \$20,704.22 in ads last spring. In addition to losing National clients, we are also seeing National clients advertise less frequently.
- Digital sales are not the answer — at least not yet. Though our ad manager's strong suit is digital sales, this spring we still only claimed \$9,639.32 in digital ads revenue compared to \$39,906.7 in print revenue — or 19%. It's a marked improvement from last spring, with \$6,602 in digital sales and \$71,734.55 in print revenue, or 9%, but it's clearly not enough to make up for the print revenue drop off we've experienced.
- Though there are certainly several factors contributing to our decline in advertising revenue, we hesitate to dismiss our decline in production as one of them.

Potential short-term options:

Below we discuss several options for short-term revenue-generating and cost-cutting measures. Re-negotiating contracts, making cuts to print when necessary, and immediately implementing a more organized and professional business plan structure will be key in the first few months of the next semester. We do not advocate for a one-stop solution, but believe that change will come about from making necessary sacrifices while adopting several different beneficial practices.

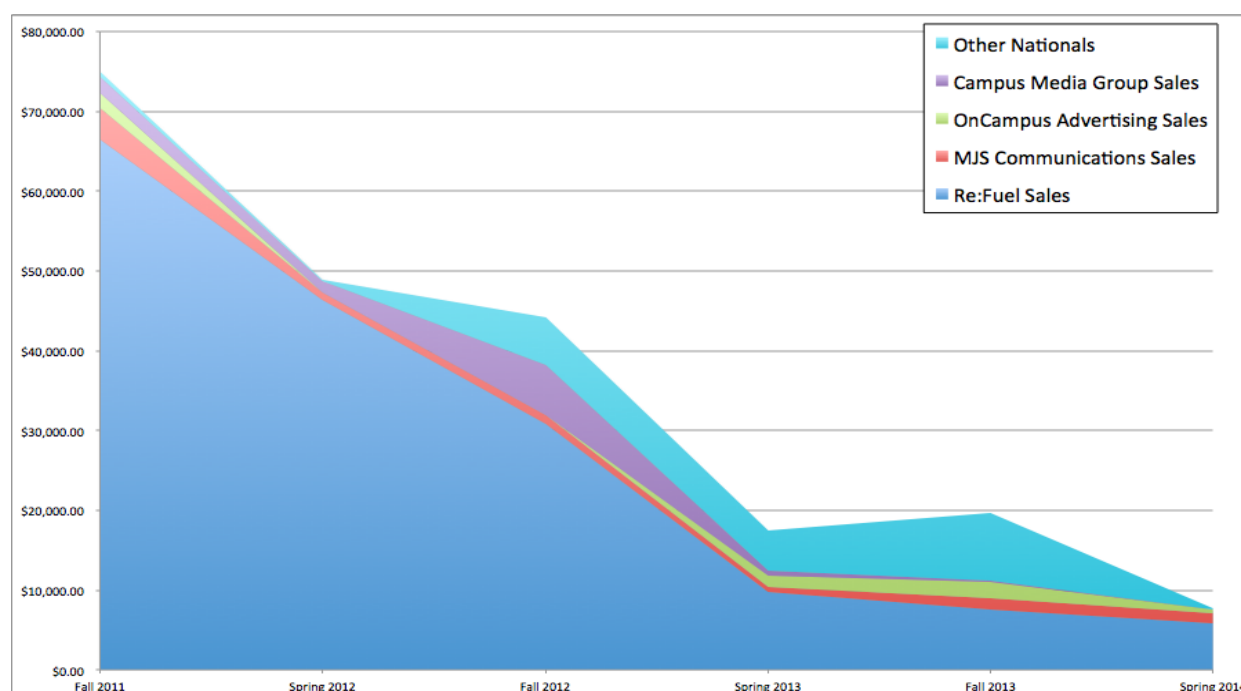
- **Cuts made ahead of fall 2014:** We have already made the following additional cuts since the end of the spring 2014 semester in an effort to reduce costs for fall 2014.
 - Mobile app: \$1,500/year. (We are working with a CIO to build a new, lower-cost, more customizable app).
 - New York Times Crossword Subscription: \$90/month.
 - Cavalier Daily phone line: \$50/month
 - With regard to cost-cutting measures, we have made substantial cuts. Our operating costs are nearly as low as they can be without making drastic changes to print frequency. Our focus at this point must be on generating more revenue.
- **New Printing Contract:** Earlier this term, Narrow Passage Press printing company contacted the managing board with an offer to print The Cavalier Daily after our contract with Culpeper ends. Narrow Passage is also a Virginia printer and prints several other university newspapers, as well as local newsletters, magazines, etc. They offer a higher-quality print product for a significantly reduced price. We are prepared to sign a contract with Narrow Passage at the conclusion of our Culpeper contract in 2015, or negotiate a new contract with a price reduction with Culpeper.

	Culpeper	Narrow Passage Press
Price per 16-page issue (10,000 dist.)	\$1,036.04	\$885
Price per semester (30 issues)	\$31,081.2 (no late fees, extra color pages, insert fees, etc.)	\$26,550
Savings		\$151.04 per issue \$4,531.2 per semester

- Printing cuts:** Cutting print comes as a last resort; it significantly affects staff morale and our credibility in the University, and is controversial within the members of the managing board. However, we are prepared to cut pages on occasion (ex: print a 12-page instead of 16-page paper) to save money, especially on an issue that has not sold enough ads to pay for itself.
 - A regular 16-page issue costs \$1,036.04 to print, and a 12-page issue costs \$885.15 to print, a difference of \$150.89.
- Renegotiate Rent Contract:** In the fall we will present our business plan, financial report, and budget to the management of Newcomb Hall and 1) formulate a plan for debt repayment 2) ask to renegotiate our rent contract. According to the contract that took effect September 1, 2013, we owe \$2,482.17 per month in rent to Newcomb. We will ask for a new rate that coincides better with what we are able to pay realistically based on our revenue.
- Stricter deadline/reduction of late fees:** Culpeper Printing has given a strict deadline of 1:30 a.m. to receive pages for the print edition. In the past, it was not uncommon to send pages late to Culpeper and incur a \$50 late fee per issue. This past term and from now on, we have moved deadlines for story submissions and page readiness earlier, and adopted a strict no-late roll policy. We do not accept late stories or stories that are not ready for print at a late hour, and as a result have paid very few late fees this term.
- Business plans and budgeting:** We are currently in the midst of an ongoing investigation of our business side. We will begin the fall 2014 semester with better information about where we stand in terms of debt, sales, collections, revenue, ads strategies, etc., which will allow us to formulate a new business plan and budget. The terms of the business plan and budget are subject to the results of this proposal, but will include generally:
 - Monthly revenue goals based on monthly operating costs and debt payments
 - Strategies and practices for reaching monthly goals
 - Careful evaluation of each month's performance at the end of each month
 - Detailed description of costs
 - Detailed description of debt and debt repayment plans
- Working throughout the summer:** In the past, The Cavalier Daily has largely closed up shop during the summer in terms of generating revenue. With the help of our ads manager, we will continue to generate revenue online and sell ads both online and in print for the August move-in issue and beyond.
 - We have approx. 20 writers who have volunteered to write over the summer

- We plan on running 5-10 stories online every week throughout the summer to keep our readers and advertisers engaged
- The ads manager will continue selling ads and collecting from overdue accounts
- The ads manager will work to build relationships with local advertisers
- **Work with additional national ad agencies:** We currently work with a few national ad agencies through which national companies can purchase ads in a fairly passive manner. We do not have much control over this process. We can, however, look into adding more national ad agencies to our portfolio. For instance, several college papers use Media Mate for national ads, whereas The Cavalier Daily does not. We are also planning on implementing AD2AD, a national classified service, over the summer.

Total National Sales Since Fall 2011



This chart depicts our total Nationals sales since fall 2011. It distinguishes between our four biggest and most consistent National Ads services, and all of the other sources of Nationals income. On the whole, there has obviously been a *huge* decline in National sales.

- The decline has been driven by our biggest source of advertisements — Re:Fuel — which went from \$66,000 in sales in fall 2011 to \$5,800 in sales in spring 2014.
- Re:Fuel sales have fallen by an average of 35% each semester since we started using them.
- In fall 2011, Re:Fuel alone accounted for 47% of our total sales. In spring 2014, it accounted for 12% of our total sales.
- **Apply to more grants:** The CD applied for and received a U.Va. Parent's Committee grant to aid in our transition to a digital-first newsroom. There is also the Jefferson Trust Grant through U.Va. One of the business staff's summer and fall projects will be to research local and national grants that The Cav Daily is eligible for and apply for funding.

- **Alternate Revenue Streams (short- and long-term):** While print advertising remains by far the largest revenue source, The CD is investigating potential alternative (non-advertising) revenue streams. We have identified our talented volunteer workers, our software and equipment, and our public reach as our three main assets that hold potential for revenue generation:
 - *Graduation Shout-outs:* This past April, we launched the first-ever “graduation shout-out” option. We offered to print color pictures and announcements for graduating fourth-years in the May 12 graduation issue. We earned \$183.26 this time; next year we will pursue a partnership with the fourth-year trustees to help us contact the appropriate population. We will also take an approach that targets specific groups such as academic departments — the Batten School ran a half-page ad to congratulate its graduating class.
 - *Social Media:* We are now offering to tweet to our 10.5K+ followers for businesses for \$20/per tweet. Every tweet will be labeled “SPONSORED.” We are also exploring other methods of generating funds using social media, as well as formulating a general sponsored content policy.
 - *Subscription service:* We are planning to offer a print subscription service for \$60/semester.
 - *Freelance work:* We have floated the idea of charging private individuals or groups to photograph their events, design publicity materials, or write copy.
- **Developing relationships/partnerships (short- and long-term):** Overall, reaching out to University leadership, local advertisers, and community members will help us better know our audience, gain useful insight and wisdom, and strategize for the continued survival and growth of The Cavalier Daily in the future.
 - Since the beginning of the term, the current editor-in-chief has met twice with vice president for development Wayne Cozart and Alumni Association president Tom Faulders to discuss the future of The Cavalier Daily. The latest meeting included a productive conversation on the potential for establishing a Cavalier Daily endowment and capital campaign with the help of the Alumni Association. In addition, Mr. Faulders has agreed to analyze our finances and help us devise possible solutions moving forward. They also connected our ad manager to her counterpart at Virginia Magazine, who raises approx. \$800,000 yearly and knows the Charlottesville market well.
 - The current chief financial officer recently met with the owner of Hot Cakes restaurant in Barrack’s Road shopping center, with whom The Cavalier Daily still has a strong relationship. From this meeting, we determined that The CD must make a more concerted effort to improve our reputation and standing among local advertisers, adjust our prices to target specific businesses, and build a strong base of contacts in the area.
 - The current EIC, EE, and OM met with John Lumpkin, outgoing director of the school of journalism at Texas Christian University and a U.Va. alum, in Charlottesville this past semester. He has offered his support in terms of providing advice and connecting us to his network of contacts in the industry if needed.

Potential long-term plans:

Advertising revenue alone is not sufficient to financially support The Cavalier Daily. We must think seriously about ideas such as developing an endowment and improving the efficacy of the professional ad manager.

- **Ads Manager:** Stated Goal: Increase advertising revenue brought in by advertising staff through addressing three main issues: Organization, Lack of perceived professionalism in the Charlottesville Community, Limited engagement of students on advertising staff
 - Increase organization of ads staff, revenue, and communications to improve relations with clients and improve The Cavalier Daily’s perceived lack of professionalism within the Charlottesville business community

- Implement client and sales database software to keep track of student's individual sales and monitor performance.
- Improve communication with businesses and provide a better idea of which clients provide the most business.
- Encourage local businesses to become re-occurring clients of The Cavalier Daily, giving the paper a reliable source of local income.
- Improve Cavalier Daily ad staff customer service with clients to promote and form lasting relationships with local businesses through training at weekly sales meetings.
- Conduct monthly, individual meetings with students to review performance.
- Develop comprehensive manual for ad staff to aid in training new staff and as a reference for returning staffers.
- Standardize email and phone communications, invoices, and policies.
- Direct all ads@cavdaily and nationalads@cavdaily emails directly to the ads manager to be distributed amongst students with the highest sales records.
 - Incentivize sales amongst the students and ensure all requests are answered in a timely, professional manner.
- Recruit in the fall with an emphasis on sales
 - Condition acceptance of the position with requirements that students attend pre-determined, weekly office hours under the direct supervision of the ads manager.
- Restructure commission scale to reward students for exceeding sales goals and encourage going above and beyond.
 - Implement a three strikes policy for students who do not meet their personal goal three months in a row
- Develop and distribute a quarterly promotions email to all advertisers informing them of special upcoming issues and changes at The Cavalier Daily
 - Increase communication and improve relationships with clients, as well as improve The Cavalier Daily's presence as a valuable advertising resource.
- In relation to online sales and website performance, it is the ad manager's suggestion that student writers be held partially responsible for generating page views on their articles, and be required to include at least 5 out-links within their articles in order to increase the site's online presence, value, and legitimacy with advertisers.

Implementing these changes will allow the ads manager to focus on larger national and local clients and new revenue streams as the advertising staff focuses on local sales.

- **5-year Business Plans:** To put it simply: The Cavalier Daily is a business, and as such, it must update its practices to fully function as one. We will begin implementing 5-year business plans that outline sales goals, collection goals, general revenue goals, print vs. online goals, national vs. local goals, and include detailed annual budgets.
 - The plan will be revised and adjusted for real-time results on an annual basis.
 - Having a set pathway in place will also help for smoother leadership transitions on the financial front, as each new MB will have a framework and goals to work off of when taking the reins in January.
- **Endowment/Capital Campaign:** Though we respect and agree with many of the concerns that the CDAA board members have raised about the prospects of a large scale fundraising campaign, ultimately, it is a solution which must be given due consideration. The trends in advertising revenue are stark, multi-faceted and biting. Though we can certainly improve our collections, redouble our advertising efforts and trim our operations to the bare essentials, our problems are not disappearing. We are, at our core, a robust student

newspaper, and there is a degree of cutting which will not allow us to stay as such. Certain actions do more than make our operations more efficient, they attack our identity. Already forced to cancel our mobile application, put on hold funding for sending staffers to conferences, and reduce the size of our offices, we strongly hold that in the long term, advertising will not be a wholly sustainable source of revenue. Our benefits to our student staffers and the University community are felt outside of market forces, and as such we must seriously consider and pursue fundraising options to support our efforts.

- **Form a Cavalier Daily Advisory Group:** The idea to bring together a group of U.Va. alumni (not necessarily Cavalier Daily Alumni) to serve an advisory or consulting role to the needs as determined by The Cavalier Daily was suggested to the current EIC by an alumnus.
- **Engage with the Commerce School:** The Comm School is one untapped but potentially very beneficial resource. The Cavalier Daily could benefit with a partnership with comm school students and faculty.
 - We currently recruit several pre-comm first and second years to the advertising and business staffs. We would like to approach more advanced comm school students to join our staff or help us with data analysis, revenue projections, innovating strategies for revenue generation.
 - Case competitions: The idea to host a case competition in partnership with the comm school has been floated to generate ideas for The Cavalier Daily.

Possible Consequences

If the CDAA should vote to not fund The Cavalier Daily at this time or in the future, we have identified the following possible consequences for the paper:

- **Short-term:**
 - The Cavalier Daily will be bankrupt by the end of summer after paying off all our bills and expenses. Depending on August and September ad sales, and any further leniency from our printer, we may not be able to afford printing and will have to publish online-only, or continue to incur further debt.
 - We may switch to printing once a week, but the effect this action would have on our advertising may be even more negative, even exacerbating the situation. This option is also unpopular with the staff.
- **Long-term:** The Cavalier Daily is at a point where it cannot both sustain its operating costs as well as pay off the substantial amount of debt that has accumulated. The following outcomes reflect brutal but realistic possibilities for The CD's future:
 - The Cavalier Daily returns to the University's sponsorship, partially or wholly, eliminating its debt to Newcomb and *sacrificing its financial independence*. This could include reverting back to a model where the University subsidizes rent, or to complete financial dependence on University-given funds.
 - The Cavalier Daily goes bankrupt, is unable to generate enough revenue to pay for a print edition, and *becomes a completely online publication*. In this case, we will likely also move out of Newcomb Hall.